

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
In re:

Case No. 12-12020 (MG)

Chapter 11

RESIDENTIAL CAPITAL, LLC, et al,

Jointly Administered

Debtor.
-----X

**OBJECTION BY THE NASSAU COUNTY TREASURER TO THE DISCLOSURE
STATEMENT FOR THE JOINT CHAPTER 11 PLAN PROPOSED BY RESIDENTIAL
CAPITAL, LLC, et al. AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

**TO: HONORABLE MARTIN GLENN
UNITED STATES BANKRUPTCY JUDGE;**

The Nassau County Treasurer (the "Treasurer"), a secured creditor to Residential Funding Company LLC, a debtor (the "Debtor") in the above captioned jointly administered Chapter 11 bankruptcy action, hereby submits the following objection to the Disclosure Statement for the Joint Chapter 11 Plan Proposed by Residential Capital LLC et al. and the Official Committee of Unsecured Creditors dated July 3, 2013 (the "Disclosure Statement"), and respectfully represents as follows:

I. PROCEDURAL BACKGROUND

1. On May 14, 2012, (the "Filing Date"), the Debtor filed a petition under Chapter 11 of Title 11 of the United States Bankruptcy Code (the "Bankruptcy Code").
2. On March 6, 2013, the Treasurer filed a Proof of Claim in the amount of \$47,680.29. Said claim is secured by the Debtor's real property located at 171 Sylvester Street, Westbury, New York and was assigned as Claim No. 6780 in the case herein (the "Claim"). (A copy of the Treasurer's Proof of Claim and proof of filing is attached hereto as **Exhibit A**)
3. On or about July 3, 2013, the Debtor filed its proposed Disclosure Statement.

II. FACTUAL BACKGROUND

4. The Debtor is fee owner of real property located at 171 Sylvester Street, Westbury, NY (the "Westbury Property"). The Parcel Number for this property is 11029 00590.

5. On the Filing Date, the Debtor owed \$47,680.29 in property taxes to the Treasurer (the "Pre-Petition Property Tax Arrearage"). Said debt is secured by the Westbury Property.

6. To date, the Debtor has not satisfied this Pre-Petition Property Tax Arrearage and the total arrearage owed to the Treasurer on the East Rockaway Property is now \$56,620.17. (A copy of the current tax bill is annexed hereto as **Exhibit B**).

III. BASIS OF OBJECTION OF THE NASSAU COUNTY TREASURER

7. The Treasurer submits this objection to the Disclosure Statement on the grounds that the Joint Chapter 11 Plan (the "Plan") is not confirmable in its present state because the Plan does not recognize the Treasurer's claim as a secured claim or account for said claim in any way. The Treasurer objects to the non-treatment of its secured claim and lack of payment terms provided by the Plan for the Claim. Moreover, the Treasurer believes that the Disclosure Statement does not contain adequate information as the Debtor has failed to disclose in both the Plan and Disclosure Statement any information with respect to the property tax arrearage on the Debtor's Westbury Property. This lack of disclosure prohibits a creditor or party in interest from making an informed decision as it relates to the Plan as provided for in 11 U.S.C. § 1125(a)(1). Accordingly, the Treasurer objects to the Disclosure Statement.

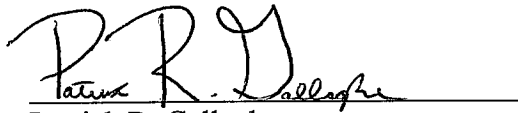
IV. RESERVATION OF RIGHTS

8. While the Treasurer understands that the instant hearing seeks approval of the Disclosure Statement, the Treasurer reserves all its rights to object to confirmation of the Plan and respectfully submits that the Plan is not confirmable as a matter of law in light of the Treasurer's objection.

WHEREFORE, it is respectfully requested that the Court sustain the Treasurer's objection to the Disclosure Statement and Plan as set forth above; together with such other and further relief the Court finds just, proper, and equitable.

Dated: Mineola, New York
July 26, 2013

JOHN CIAMPOLI
County Attorney of Nassau County


Patrick R. Gallagher
Deputy County Attorney
1 West Street
Mineola, New York 11501

AFFIDAVIT OF SERVICE
RESIDENTIAL CAPITAL, LLC, ET AL.

STATE OF NEW YORK)

: ss.:

COUNTY OF NASSAU)

Lauren Rubenfeld, being duly sworn, deposes and says, that deponent is over twenty-one years of age, not a party to the proceedings herein, and that deponent is employed in the office of the County Attorney of Nassau County, that on the 26th day of July, 2013, deponent served, by mail, the within **OBJECTION BY THE NASSAU COUNTY TREASURER TO THE DISCLOSURE STATEMENT FOR THE JOINT CHAPTER 11 PLAN PROPOSED BY RESIDENTIAL CAPITAL, LLC, et al., and THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**, upon:

U.S. Bankruptcy Court, Southern District of New York
Clerk of the Bankruptcy Court
Manhattan Division
One Bowling Green
New York, NY 10004-1408

Chambers of Honorable Martin Glenn
U.S. Bankruptcy Court, Southern District of New York
Courtroom 501
One Bowling Green
New York, NY 10004

Residential Capital, LLC
Lewis Kruger, CPO
c/o Morrison & Foerster, LLP
1290 Avenue of the Americas
New York, NY 10104

Morrison & Foerster, LLP
Attention: Gary Lee, Lorenzo Marinuzzi and
Todd Goren
1290 Avenue of the Americas
New York, NY 10104

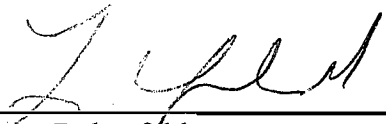
Kramer Levin Naftalis & Frankel, LLP
Attention: Kenneth H. Eckstein, Douglas H. Mannal and Stephen D. Zide
1117 Avenue of the Americas
New York, NY 10036

Ally Financial, Inc.
Attention: William B. Solomon and Timothy Devine
1177 Avenue of the Americas
New York, NY 10036

Kirkland & Ellis, LLP
601 Lexington Avenue
New York, NY 10022
Attention: Richard M. Cieri and Ray C. Schrock

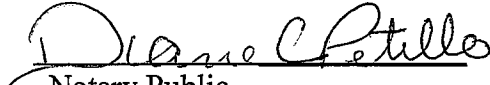
Office of the U.S. Trustee
Southern District of New York
U.S. Federal Office Building
201 Varick Street
Suite 1006
New York, NY 10014
Attention: Brian Masumoto and Michael Driscoll

by depositing a true copy of the same securely enclosed in a post-paid wrapper in a post office box regularly maintained by the United States Government at Nassau County Executive Building, Mineola, New York, directed to the above at the addresses designated by them for the purpose upon the preceding papers.



Lauren Rubenfeld

Sworn to before me this
26th day of July, 2013.



Notary Public

DIANE C. PETILLO
Notary Public, State Of New York
No. 02PE5071408
Qualified In Nassau County
Commission Expires January 18, _____

April 14, 2015

EXHIBIT A

BIO (Official Form 10) (12/07)

UNITED STATES BANKRUPTCY COURT for the SOUTHERN DISTRICT OF NEW YORK		PROOF OF CLAIM
Name of Debtor: RESIDENTIAL FUNDING COMPANY LLC		Case Number: 8-12-12020 (MG)
NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.		
Name of Creditor (the person or other entity to whom the debtor owes money or property): NASSAU COUNTY TREASURER		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.
Name and address where notices should be sent: NASSAU COUNTY ATTORNEY'S OFFICE c/o COUNTY ATTORNEY, ONE WEST STREET MINEOLA NY 11501-4813		Court Claim Number: (If known) MAR 6 2013 Filed On:
Telephone number: 516-571-3010 Attention: Patrick R. Gallagher		
Name and address where payment should be sent (if different from above):		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars. <input type="checkbox"/> Check this box if you are the debtor or trustee in this case.
1. Amount of Claim as of Date Case Filed: .680.29		5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount. Specify the priority of the claim.
If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. <input checked="" type="checkbox"/> Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.		Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). <input type="checkbox"/> Wages, salaries, or commissions (up to \$10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(4).
2. Basis for Claim- Property Tax Arrearage (See instruction #2 on reverse side.)		
3. Last four digits of any number by which creditor identifies debtor:		
3a. Debtor may have scheduled account as: (See instruction #3a on reverse side.)		
4. Secured Claim (See instruction #4 on reverse side.) Check the appropriate box if your claim is secured by a lien on property of a right of setoff and provide the requested information. Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> other Describe: Value of Property: \$ Unknown Annual Interest Rate 12%		<input type="checkbox"/> Contributions to an employee benefit plan - 11 U.S.C. §507 (a)(5). <input type="checkbox"/> Up to \$2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. §507 (a)(7).
Amount of arrearage and other charges as of time case filed included in secured claim, if any: \$47,680.29 Basis for perfection:		<input checked="" type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. §507 (a)(8).
Amount of Secured Claim: \$47,680.29 Amount Unsecured: \$0		<input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. §507
6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.		Amount entitled to priority:
7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (See definition of "redacted" on reverse side.) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:		*Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.
Date: 3/4/2013	Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address. above. Attach copy of power of attorney, if any. PATRICK R. GALLAGHER, DEPUTY COUNTY ATTORNEY	
		FOR COURT USE ONLY

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

EDWARD P. MANGANO
COUNTY EXECUTIVE



BEAUMONT A. JEFFERSON
ACTING COUNTY TREASURER

COUNTY OF NASSAU

OFFICE OF THE COUNTY TREASURER
1 WEST STREET
MINEOLA, NEW YORK 11501
(516) 571-2090

INDIVIDUAL PARCEL OPEN TAXES

February 04, 2013

RESIDENTIAL FUNDING COMPANY LLC
4828 LOOP CENTRAL DR
HOUSTON TX 77081

Computed To Date: 01/31/2013
Parcel ID: 11029 00590
Lot Group: 59-61

Tax year	Cycle	Date	Lien	Tax/memo Amount	Penalty	Interest	Fees	Total Due
2008	T H	02/17/2009	2008001191	1,276.40	0.00	510.56	0.00	1,786.96
2009	S F	SUBORD. 07/27/2009	2008001191	4,681.91	0.00	1,872.76	0.00	6,554.67
2010	S F	SUBORD. 08/12/2010	2008001191	6,619.66	0.00	2,647.86	0.00	9,267.52
2010	T F	SUBORD. 10/31/2010	2008001191	2,670.54	0.00	1,068.22	0.00	3,738.76
2011	S F	SUBORD. 08/15/2011	2008001191	7,049.83	0.00	2,114.95	0.00	9,164.78
2011	T F	SUBORD. 12/14/2011	2008001191	2,594.62	0.00	778.37	0.00	3,372.99
2012	S F	SUBORD. 09/21/2012	2008001191	7,795.44	0.00	779.55	0.00	8,574.99
2012	T F	SUBORD. 12/21/2012	2008001191	4,745.12	0.00	474.50	0.00	5,219.62
SCARFEO,DENNIS				Tax Payment Due:				\$47,680.29

TOTAL PAYMENT DUE \$47,680.29

Information purpose only
Taxes due subject to change

Cash or Certified Checks only for payment of tax liens. Cash or Certified Checks only for payments made after October 31, 2012.
Any Hardship deposits made to the Liens are not reflected in the total amount due.

If you require additional assistance, please call our office at (516) 571-2090 571-2090 Ext. 13715. Thank you for your cooperat

Very Truly Yours,
NASSAU COUNTY TREASURER

EXHIBIT B

EDWARD P. MANGANO
COUNTY EXECUTIVE



BEAUMONT A. JEFFERSON
COUNTY TREASURER

COUNTY OF NASSAU
OFFICE OF THE COUNTY TREASURER
1 WEST STREET
MINEOLA, NEW YORK 11501
(516) 571-2090

INDIVIDUAL PARCEL OPEN TAXES

July 17, 2013

RESIDENTIAL FUNDING COMPANY
4828 LOOP CENTRAL DR
HOUSTON TX 77081

Computed To Date: 07/31/2013
Parcel ID: 11029 00590 (BANKRUPTCY)
Lot Group: 59-61

Tax year	Cycle	Date	Lien	Tax/memo Amount	Penalty	Interest	Fees	Total Due
2008	T H	02/17/2009	2008001191	1,276.40	0.00	510.56	0.00	1,786.96
2009	S F	SUBORD. 07/27/2009	2008001191	4,681.91	0.00	1,872.76	0.00	6,554.67
2010	S F	SUBORD. 08/12/2010	2008001191	6,619.66	0.00	2,647.86	0.00	9,267.52
2010	T F	SUBORD. 10/31/2010	2008001191	2,670.54	0.00	1,068.22	0.00	3,738.76
2011	S F	SUBORD. 08/15/2011	2008001191	7,049.83	0.00	2,819.93	0.00	9,869.76
2011	T F	SUBORD. 12/14/2011	2008001191	2,594.62	0.00	1,037.85	0.00	3,632.47
2012	S F	SUBORD. 09/21/2012	2008001191	7,795.44	0.00	1,559.08	0.00	9,354.52
SCARFEO,DENNIS								Tax Payment Due: \$44,204.66
2012	T H	02/10/2012		1,994.08	99.71	420.17	180.00	2,693.96
2012	T H	08/10/2012		1,994.08	99.71	286.68	0.00	2,380.47
2013	S H	11/13/2012		3,231.00	161.55	331.87	90.00	3,814.42
2013	S H	05/10/2013		3,231.00	161.55	134.11	0.00	3,526.66
								Tax Payment Due: \$12,415.51

TOTAL PAYMENT DUE \$56,620.17

Information purpose only
Taxes due subject to change

Cash or Certified Checks only for payment of tax liens. Cash or Certified Checks only for payments made after October 31, 2013.
Any Hardship deposits made to the Liens are not reflected in the total amount due.

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Very Truly Yours,
NASSAU COUNTY TREASURER

Index No. 12-12020 (MG)

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JOHN CIAMPOLI
County Attorney of Nassau County
One West Street
Mineola, New York 11501
(516) 571-3010
Fax: (516) 571-6604/6684